

## 15 Financial assets

Group's financial assets comprise investments in derivatives, financial assets designated as at fair value through p/l, loans and receivables, available-for-sale financial assets and investments in subsidiaries. The Holding segment includes also investments in subsidiaries.

The Group uses derivative instruments for trading and for hedging purposes. The derivatives used are foreign exchange, interest rate and equity derivatives. Fair value hedging has been applied during the financial year both in P&C and Life insurance.

EURm	2016	2015
<b>P&amp;C insurance</b>		
Derivative financial instruments	14	21
Loans and receivables	84	108
Financial assets available-for-sale	11,569	10,437
<b>P&amp;C insurance, total</b>	<b>11,667</b>	<b>10,566</b>
<b>Life insurance</b>		
Derivative financial instruments	13	11
Financial assets designated as at fair value through p/l	24	48
Loans and receivables	20	24
Financial assets available-for-sale	5,612	5,956
<b>Total</b>	<b>5,670</b>	<b>6,039</b>
Assets held for sale	-210	-
<b>Life insurance, total</b>	<b>5,459</b>	<b>6,039</b>
<b>Holding</b>		
Derivative financial instruments	18	21
Loans and receivables	0	1
Financial assets available-for-sale	814	852
Investments in subsidiaries	2,370	2,370
<b>Holding, total</b>	<b>3,201</b>	<b>3,243</b>
Elimination items between segments	-2,659	-2,659
<b>Group, total</b>	<b>17,668</b>	<b>17,189</b>

### P&C insurance

#### Derivative financial instruments

EURm	Contract/ notional amount	2016 Fair value		Contract/ notional amount	2015 Fair value	
		Assets	Liabilities		Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Interest rate swaps	67	0	4	2,069	0	2
<b>Foreign exchange derivatives</b>						
OTC derivatives						
Currency forwards	3,148	13	63	2,777	19	15
Currency options, bought and sold	30	0	0	101	1	0
<b>Total foreign exchange derivatives</b>	<b>3,178</b>	<b>13</b>	<b>63</b>	<b>2,878</b>	<b>21</b>	<b>15</b>
<b>Equity derivatives</b>						
OTC derivatives						
Equity and equity index options	0	1	-	-	-	-

<b>Total derivatives held for trading</b>	<b>3,245</b>	<b>14</b>	<b>67</b>	<b>4,948</b>	<b>21</b>	<b>17</b>
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## Other financial assets

EURm	2016	2015
<b>Loans and receivables</b>		
Deposits with ceding undertakings	1	1
Other	83	108
<b>Total loans and receivables</b>	<b>84</b>	<b>108</b>
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Issued by public bodies	1,246	1,392
Certificates of deposit issued by banks	3,407	3,120
Other debt securities	5,370	4,404
<b>Total debt securities</b>	<b>10,022</b>	<b>8,916</b>
<b>Equity securities</b>		
Listed	1,524	1,497
Unlisted	23	25
<b>Total</b>	<b>1,547</b>	<b>1,522</b>
<b>Total financial assets available-for-sale</b>	<b>11,569</b>	<b>10,437</b>

Financial assets available-for-sale for P&C insurance include impairment losses EURm 227 (197).

<b>P&amp;C insurance, total financial assets</b>	<b>11,667</b>	<b>10,566</b>
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## Life insurance

## Derivative financial instruments

EURm	Contract/ notional amount	2016 Fair value		Contract/ notional amount	2015 Fair value	
		Assets	Liabilities		Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Interest rate swaps	144	1	0	4,618	0	1
Credit risk swaps	-	-	-	643	-	0
<b>Total</b>	<b>144</b>	<b>1</b>	<b>0</b>	<b>5,261</b>	<b>0</b>	<b>2</b>
<b>Foreign exchange derivatives</b>						
OTC derivatives						
Currency forwards	1,691	10	11	1,633	8	22
Currency options, bought and sold	63	0	0	156	1	1
<b>Total foreign exchange derivatives</b>	<b>1,754</b>	<b>10</b>	<b>11</b>	<b>1,789</b>	<b>9</b>	<b>22</b>
<b>Total derivatives held for trading</b>	<b>1,898</b>	<b>10</b>	<b>11</b>	<b>7,050</b>	<b>9</b>	<b>24</b>
<b>Derivatives held for hedging</b>						
<b>Fair value hedges</b>						
Currency forwards	534	2	0	602	2	9
<b>Total</b>	<b>534</b>	<b>2</b>	<b>0</b>	<b>602</b>	<b>2</b>	<b>9</b>
<b>Total derivatives held for hedging</b>	<b>534</b>	<b>2</b>	<b>0</b>	<b>602</b>	<b>2</b>	<b>9</b>

<b>Total derivatives</b>	<b>2,432</b>	<b>13</b>	<b>11</b>	<b>7,651</b>	<b>11</b>	<b>33</b>
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### Fair value hedges

Fair value hedging is used to hedge a proportion of foreign exchange and interest risk in available-for-sale financial assets. The interest elements of forward contracts have been excluded from hedging relationships in foreign exchange hedges. Net result from exchange derivatives designated as fair value hedges amounted to EURm 19 (-69). Net result from hedged risks in fair value hedges of available for sale financial assets amounted to EURm -19 (68).

### Other financial assets

EURm	2016	2015
<b>Financial assets designated as at fair value through p/l</b>		
<b>Debt securities</b>		
Issued by public bodies	15	13
Issued by banks	7	10
Other debt securities	0	23
<b>Total debt securities</b>	<b>22</b>	<b>47</b>
<b>Listed equity securities</b>	<b>2</b>	<b>2</b>
<b>Total financial assets designated as at fair value through p/l</b>	<b>24</b>	<b>48</b>
<b>Loans and receivables</b>		
Loans	20	24
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Issued by public bodies	19	30
Issued by banks	563	488
Other debt securities	2,523	2,896
<b>Total debt securities</b>	<b>3,105</b>	<b>3,414</b>
<b>Equity securities</b>		
Listed	1,727	1,669
Unlisted	779	873
<b>Total</b>	<b>2,507</b>	<b>2,542</b>
<b>Total financial assets available-for-sale</b>	<b>5,612</b>	<b>5,956</b>

Financial assets available-for-sale for life insurance include impairment losses EURm 15 (19).

<b>Total financial assets</b>	<b>5,670</b>	<b>6,039</b>
Assets held for sale	-210	-
<b>Life insurance, total financial assets</b>	<b>5,459</b>	<b>6,039</b>

**Financial assets available for sale / debt securities:** Debt securities available for sale include EURm 2,925 (3,334) investments in bonds and EURm 180 (95) investments in money market instruments.

**Financial assets available for sale / shares and participations:** Listed equity securities include EURm 913 (831) listed equities. Unlisted equity securities include EURm 727 (768) investments in capital trusts.

## Holding

### Derivative financial instruments

2016

2015

	Contract/ notional amount	Fair value		Contract/ notional amount	Fair value	
EURm		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest derivatives						
OTC-derivatives						
Interest rate swaps	523	12	-	800	10	-
Foreign exchange derivatives						
OTC-derivatives						
Currency forwards	478	4	1	74	1	2
Equity derivatives						
OTC-derivatives						
Equity and euqity index options	9	2	3	60	10	10
Total derivatives	1,010	18	3	933	21	12

## Other financial assets

EURm	2016	2015
<b>Loans and receivables</b>		
Deposits	0	1
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Certificates of deposit issued by banks	250	196
Other debt securities	415	407
<b>Total debt securities</b>	<b>666</b>	<b>603</b>
<b>Equity securities</b>		
Listed	129	228
Unlisted	20	20
<b>Total</b>	<b>148</b>	<b>248</b>
<b>Total financial assets available-for-sale</b>	<b>814</b>	<b>852</b>

Financial assets available-for-sale for Holding business do not include impairment losses.

<b>Investments in subsidiaries</b>	2,370	2,370
<b>Holding, total financial assets</b>	<b>3,201</b>	<b>3,243</b>
Elimination items between segments	-2,659	-2,659
<b>EURm</b>	<b>2016</b>	<b>2015</b>
<b>Group, total</b>	<b>17,668</b>	<b>17,189</b>